

**HON. MARCY KAPTUR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
TUESDAY, MAY 23, 2006**

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Ms. KAPTUR. Mr. Speaker, America, which should value our birthright of independence, is all too quickly becoming America the dependent.

We are dangerously dependent, for example, on foreign oil for our energy needs. Indeed, we import nearly 75 percent of it; a third of our trade deficit is due to this oil dependency. We could become energy independent here at home with energy sources here that we would invent and create and refine, and what a job-rich America that would create.

America is becoming more and more dependent upon imports from foreign manufacturers than we are exports from our country in all fields: in appliances, in clothing, even food. This year America may become for the first time in its history a net food importer.

The balance of payments which had been the pride of our country, more exports than imports, has been reduced to red ink. The monthly trade deficit for March was just in 1 month over \$62 billion, and we are still on another record annual trade deficit pace.

In fact, our monthly trade deficit figure is so huge it equals the entire annual budget of our Department of Veterans Affairs. Veterans fought to make us free from foreign tyranny, but the new tyranny is taking a different form.

At the end of March, our overall publicly held debt was a staggering \$4.6 trillion, not counting promises that the government has made to pay for retirement programs and health benefits

that are due to the American people in the amount of over \$8.4 trillion. Now, would you believe that nearly half, 43 percent of this debt, overall debt, of that amount, \$2 trillion is now held by foreigners.

We have already heard that it took 200 years for our Nation to accumulate \$1 trillion of debt. But would you believe we are now at the point where \$1 trillion of our public debt is held by Japan, China and Hong Kong? As this chart illustrates, Japan is the largest holder of our debt, followed by Europe, followed by China and Hong Kong, which are rising very quickly.

In fact, would you believe that between October of 2003 and March of this year, China alone more than doubled its holdings of our public debt from \$151 billion to \$321 billion. The United States government, our taxpayers this year will pay more than \$200 billion in interest on publicly-held debt with nearly \$100 billion going to foreign holders of our debt. That's right. We are going to pay interest to foreign holders of U.S. debt, almost five times as much as we appropriate on an annual basis for the entire U.S. Department of Energy. Imagine if we invested those dollars in ourselves. We will pay interest to foreign holders of U.S. debt nearly three times as much as we spend in a year on the Department of Housing and Urban Development to build this country from coast-to-coast.

We will pay interest to foreign holders of U.S. debt nearly twice as much as we appropriate for the entire Department of Labor. We have just had more miners killed in Kentucky, God rest their souls, because they didn't have oxygen equipment that would last them long enough that would outlast the monoxide until the rescue workers could get there.

Yet we can pay this kind of money to foreign holders of our debt. We will pay about as much interest to foreign holders of U.S. debt as we will appropriate for fighting the war in Iraq. Wow. Think about it. What do we do about it?

Without a doubt, first thing we should do is clean up our fiscal house, and that starts with balancing our budgets and digging out of this red ink. We cannot expect to continue in this fashion and remain the leader of the free world. Our currency is being devalued. We see the skittishness in the stock market, and interest rates are going up at the same time as gas prices are going up. This is very clear.

There are certain rules of economics that never fail you. We are either going to have a currency devaluation, or we are going to have inflation go out of control. But the point is, more and more, we are going in hock to foreign interests. We need to ask, how do we take our country back? At a minimum, how do we owe the money to ourselves rather than other Nations? In prior generations, when we were faced with a problem like this, we didn't turn to foreign bankers; we turned to the American people. We did it through balancing our budget, and we did it through savings bond sales. There used to be a time when savings bonds could be purchased easily at any local bank or even in smaller denominations at our U.S. Postal Service.

It was a way the average American, who is as patriotic as anybody in this world, could invest in their own country. They could buy bonds in very small denominations, and they knew their investment was secure and that they were investing in America, not someplace else.

But in recent years, the Federal Reserve and our Treasury have gotten lazy. They are selling these denominations in big, big numbers, thousands of dollars apiece, and they like to do it through just a few cushy dealers on Wall Street. They love dealing with the big bond houses to get fees for every bond they sell. It is a very undemocratic bond system.

In fact, the Federal Reserve loves to reward their friends on Wall Street instead of strengthening our Nation down to the average citizen and their ability to own a piece of the republic. I would like to restore that spirit of independence to our country, and this method, tried and true, of savings bond purchases helped us through military wars and economic depressions.

Savings bonds can be called upon again, in a new war, to maintain America's economic independence and take it back from foreign investors who are owning larger pieces of us every day. Independence, independence, independence. Reduce America's ownership by foreign interests.

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